

**REMARKS**

In the office action mailed 6 December 2005, the Office rejected claim 1 under §101 and §112. In response, Applicant amends claim 1 to actively claim the step of updating the technical coefficients. Applicant respectfully requests that the Office reconsider the §101 and §112 rejections in light of this amendment.

The Office also rejected claims 1 – 19 under §103 for being unpatentable over Conklin (US6141653). In the rejection, the Office treats the original claim language, “to update technical coefficients in a regional econometric input-output model” as an intended use, and bases his rejection on this intended use. However, as amended, claim 1 actively claims updating the technical coefficients. As such, the Office’s rejection is no longer relevant to the pending claim language. For at least this reason, the rejection must be withdrawn.

In addition, extensive precedent has established that an obviousness rejection must rest on sound factual basis, and these facts must be arrived at without reconstructing the invention from the prior art through hindsight. In making this evaluation, all facts must be considered. The Office has the initial duty and obligation of setting forth the factual basis for its obviousness rejection. It may not resort to speculation, unfounded assumptions, or hindsight reconstruction to supply the deficiencies in its factual basis. In re Warner, 379 F.2d 1011, 1017 (CCPA 1967), cert. denied, 389 U.S. 1057 (1968). As conceded by the Office, nothing in Conklin teaches or suggests updating the technical coefficients as required by the claimed invention. While the Office asserts it would be obvious to make this modification to Conklin, the Examiner does not support this assertion with any facts. Instead, the Office simply concludes it would be obvious. Because the motivation proffered by the Office is conclusory and unsupported by any facts in the record, the §103 rejection legally insufficient and must be withdrawn.

For at least the reasons stated above, Applicant submits that the pending claims are in condition for allowance. As such, Applicant requests that the Examiner reconsider the

rejections and allow the pending claims. Applicant respectfully defers cancelling the withdrawn claims until after prosecution is closed.

Respectfully submitted,

COATS & BENNETT, P.L.L.C.



Jennifer K. Stewart  
Registration No.: 53,639

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P.O. Box 5  
Raleigh, NC 27602  
Telephone: (919) 854-1844  
Facsimile: (919) 854-2084